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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SOUTHERN DIVISION**

11 SECURITIES AND EXCHANGE
12 COMMISSION,

13 Plaintiff,

14 vs.

15 HOMESTEAD PROPERTIES, L.P.;
16 HOMESTEAD LIMITED, L.L.C.;
17 CALIFORNIA WEALTH
MANAGEMENT GROUP, d.b.a. IFC
ADVISORY; HEATH M.
BIDDLECOME; and WILLIAM C. TAK

18 Defendants,

19 HOMESTEAD NORTHLAND MHC,
20 LLC and JACKSON MHC, L.L.C.

21 Relief Defendants.
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Case No. SAV09-01331-CJC(MLGx)

**[PROPOSED] FINAL JUDGMENT
AS TO HEATH M. BIDDLECOME
AND CALIFORNIA WEALTH
MANAGEMENT GROUP,
d.b.a. IFC ADVISORY**

1 The Securities and Exchange Commission having filed a Complaint and
2 Defendants Heath M. Biddlecome (“Biddlecome”) and California Wealth
3 Management Group, d.b.a. IFC Advisory (“IFC Advisory”) (jointly “Defendants”)
4 having entered general appearances; consented to the Court’s jurisdiction over
5 Defendants and the subject matter of this action; consented to the entry of this Final
6 Judgment as to Heath M. Biddlecome and California Wealth Management Group,
7 d.b.a. IFC Advisory in the form attached hereto (the “Final Judgment”) without
8 admitting or denying the allegations of the Complaint (except as to jurisdiction);
9 waived findings of fact and conclusions of law; and waived any right to appeal
10 from this Final Judgment:

11 **I.**

12 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
13 Biddlecome and his agents, servants, employees, attorneys, and all persons in
14 active concert or participation with them who receive actual notice of this Final
15 Judgment by personal service or otherwise are permanently restrained and enjoined
16 from violating Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities
17 Act”), 15 U.S.C. §§ 77e(a) and (c), by, directly or indirectly, in the absence of any
18 applicable exemption:

- 19 (a) Unless a registration statement is in effect as to a security, making use
20 of any means or instruments of transportation or communication in
21 interstate commerce or of the mails to sell such security through the
22 use or medium of any prospectus or otherwise;
- 23 (b) Unless a registration statement is in effect as to a security, carrying or
24 causing to be carried through the mails or in interstate commerce, by
25 any means or instruments of transportation, any such security for the
26 purpose of sale or for delivery after sale; or
- 27 (c) Making use of any means or instruments of transportation or
28 communication in interstate commerce or of the mails to offer to sell

1 or offer to buy through the use or medium of any prospectus or
2 otherwise any security, unless a registration statement has been filed
3 with the Commission as to such security, or while the registration
4 statement is the subject of a refusal order or stop order or (prior to the
5 effective date of the registration statement) any public proceeding or
6 examination under Section 8 of the Securities Act, 15 U.S.C. § 77h.

7 **II.**

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED
9 that Defendant Biddlecome and his agents, servants, employees, attorneys, and all
10 persons in active concert or participation with them who receive actual notice of
11 this Final Judgment by personal service or otherwise are permanently restrained
12 and enjoined from violating Section 17(a) of the Securities Act, 15 U.S.C.
13 § 77q(a), in the offer or sale of any security by the use of any means or instruments
14 of transportation or communication in interstate commerce or by use of the mails,
15 directly or indirectly:

- 16 (a) to employ any device, scheme, or artifice to defraud;
17 (b) to obtain money or property by means of any untrue statement of a
18 material fact or any omission of a material fact necessary in order to
19 make the statements made, in light of the circumstances under which
20 they were made, not misleading; or
21 (c) to engage in any transaction, practice, or course of business which
22 operates or would operate as a fraud or deceit upon the purchaser.

23 **III.**

24 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant
25 Biddlecome and his agents, servants, employees, attorneys, and all persons in
26 active concert or participation with them who receive actual notice of this Final
27 Judgment by personal service or otherwise are permanently restrained and enjoined
28 from violating, directly or indirectly, Section 10(b) of the Securities Exchange Act

1 of 1934 (the “Exchange Act”), 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated
2 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of
3 interstate commerce, or of the mails, or of any facility of any national securities
4 exchange, in connection with the purchase or sale of any security:

- 5 (a) to employ any device, scheme, or artifice to defraud;
- 6 (b) to make any untrue statement of a material fact or to omit to state a
7 material fact necessary in order to make the statements made, in the
8 light of the circumstances under which they were made, not
9 misleading; or
- 10 (c) to engage in any act, practice, or course of business which operates or
11 would operate as a fraud or deceit upon any person.

12 IV.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant Biddlecome and his agents, servants, employees, attorneys, and all
15 persons in active concert or participation with them who receive actual notice of
16 this Final Judgment by personal service or otherwise are permanently restrained
17 and enjoined from violating, directly or indirectly, Sections 206(1) and 206(2) of
18 the Investment Advisers Act of 1940 (the “Advisers Act”), 15 U.S.C. §§ 80b-6(1)
19 and (2), by using the mails or any means or instrumentalities of interstate
20 commerce:

- 21 (a) to employ any device, scheme, or artifice to defraud any client or
22 prospective client; or
- 23 (b) to engage in any transaction, practice, or course of business which
24 operates as a fraud or deceit upon any client or prospective client.

25 V.

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
27 Defendants Biddlecome and his agents, servants, employees, attorneys, and all
28 persons in active concert or participation with them who receive actual notice of

1 this Final Judgment by personal service or otherwise are permanently restrained
2 and enjoined from, from violating, directly or indirectly, Section 206(4) of the
3 Advisers Act, 15 U.S.C. § 80b-6, and Rule 206(4)-8 thereunder, 17 C.F.R.
4 § 275.206(4)-8, by using the mails or any means or instrumentality of interstate
5 commerce:

- 6 (a) to engage in any act, practice, or course of business which is
7 fraudulent, deceptive, or manipulative; or
- 8 (b) to make any untrue statement of material fact or to omit to state a
9 material fact necessary to make the statements made, in light of the
10 circumstances under which they were made, not misleading,
11 to any investor or prospective investor in a pooled investment vehicle.

12 VI.

13 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
14 Defendant Biddlecome and his agents, servants, employees, attorneys, and all
15 persons in active concert or participation with them who receive actual notice of
16 this Final Judgment by personal service or otherwise are permanently restrained
17 and enjoined from violating, directly or indirectly, Section 15(a) of the Exchange
18 Act, 15 U.S.C. § 78o(a), which makes it unlawful for any broker or dealer which is
19 either a person other than a natural person or a natural person, to make use of the
20 mails or any means or instrumentality of interstate commerce to effect any
21 transactions in, or to induce or attempt to induce the purchase or sale of, any
22 security (other than an exempted security or commercial paper, bankers'
23 acceptances, or commercial bills) unless such broker or dealer is registered in
24 accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

25 VII.

26 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
27 Defendant Biddlecome and his agents, servants, employees, attorneys, and all
28 persons in active concert or participation with them who receive actual notice of

1 this Final Judgment by personal service or otherwise are permanently restrained
2 and enjoined from aiding and abetting any violation of Section 204 of the Advisers
3 Act, 15 U.S.C. § 80b-4, by knowingly failing to make available all records that
4 investment advisers, who make use of the mails or of any means or instrumentality
5 of interstate commerce in connection with its business as an investment adviser,
6 are subject at any time, or from time to time, to such reasonable periodic, special,
7 or other examinations by representatives of the Commission as the Commission
8 deems necessary or appropriate in the public interest or for the protection of
9 investors.

10 **VIII.**

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
12 Defendant Biddlecome shall be liable for disgorgement of \$134,821.00,
13 representing proceeds gained as a result of the conduct alleged in the Complaint,
14 together with prejudgment interest thereon in the amount of \$6,997.63, totaling
15 \$141,818.63. Defendant Biddlecome was an owner and controlling person of
16 Homestead Limited L.L.C., the general partner of Homestead Properties, L.P.,
17 which received these proceeds as fees for managing Homestead Properties, L.P.
18 Biddlecome invested such proceeds into Homestead Properties, L.P. Defendant
19 Biddlecome's payment obligation of \$141,818.63 shall be deemed satisfied by the
20 amounts recovered by the Court-appointed Receiver, Robb Evans & Associates,
21 LLC (the "Receiver") from the seizure of Homestead Limited, L.L.C. through the
22 date of the entry of this Final Judgment. Biddlecome shall not make any legal,
23 equitable, title, or claim of interest or moneys in Homestead Limited, L.L.C. or
24 Homestead Properties, L.P., and no part of any funds shall be returned to
25 Defendant Biddlecome by the Receiver.

26 **IX.**

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
28 Defendant Biddlecome is liable for a civil penalty in the amount of \$65,000.00

1 pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d); Section
2 21(d)(3) of the Exchange Act, 15 U.S.C. § 78u(d)(3); and Section 209(e) of the
3 Investment Advisers Act of 1940, 15 U.S.C. § 80b-9. Defendant Biddlecome shall
4 satisfy this obligation by paying \$65,000.00 within 14 days after entry of this Final
5 Judgment by certified check, bank cashier's check, or United States postal money
6 order payable to the Robb Evans & Associates LLC, Receiver, 11450 Sheldon
7 Street, Sun Valley, CA 91352-1121. The payment shall be delivered or mailed to
8 the Receiver, and shall be accompanied by a letter identifying the payer's name as
9 a defendant in this action; setting forth the title and civil action number of this
10 action and the name of this Court; and specifying that payment is made pursuant to
11 this Final Judgment. Defendant shall simultaneously transmit photocopies of such
12 payment and letter to the Commission's counsel in this action. By making this
13 payment, Defendant relinquishes all legal and equitable right, title, and interest in
14 such funds, and no part of the funds shall be returned to Defendant.

15 These funds, together with any interest and income earned thereon
16 (collectively, the "Fund") shall be held by the Receiver. The Commission may by
17 motion propose a plan to distribute the Fund subject to the Court's approval. Such
18 a plan may provide that the Fund shall be distributed pursuant to the Fair Fund
19 provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of
20 whether any such Fair Fund distribution is made, amounts ordered to be paid as
21 civil penalties pursuant to this Final Judgment shall be treated as penalties paid to
22 the government for all purposes, including all tax purposes. To preserve the
23 deterrent effect of the civil penalty, Defendant Biddlecome shall not, after offset or
24 reduction of any award of compensatory damages in any Related Investor Action
25 based on Defendant Biddlecome's payment of disgorgement in this action, argue
26 that he is entitled to, nor shall he further benefit by, offset or reduction of such
27 compensatory damages award by the amount of any part of Defendant
28 Biddlecome's payment of a civil penalty in this action ("Penalty Offset"). If the

1 court in any Related Investor Action grants such a Penalty Offset, Defendant
2 Biddlecome shall, within 30 days after entry of a final order granting the Penalty
3 Offset, notify the Commission's counsel in this action and pay the amount of the
4 Penalty Offset to the United States Treasury or to a Fair Fund, as the Commission
5 directs. Such a payment shall not be deemed an additional civil penalty and shall
6 not be deemed to change the amount of the civil penalty imposed in this Final
7 Judgment. For purposes of this paragraph, a "Related Investor Action" means a
8 private damages action brought against Defendants by or on behalf of one or more
9 investors based on substantially the same facts as alleged in the Complaint in this
10 action.

11 **X.**

12 IT IS ORDERED, ADJUDGED AND DECREED that no remedial relief
13 shall be ordered against Defendant IFC Advisory, a defunct entity.

14 **XI.**

15 IT IS FURTHER ORDERED that Robb Evans & Associates LLC shall
16 continue as Court-appointed permanent Receiver in this case, until further order of
17 this Court. The Receiver shall continue to control Defendants Homestead
18 Properties, L.P. and Homestead Limited, L.L.C., and Relief Defendants Homestead
19 Northland MHC, LLC and Jackson MHC, L.L.C. (the "Receivership Entities").
20 The Receiver is the agent of this Court in acting as Receiver herein. The Receiver
21 is appointed with full powers of an equity receiver, including, but not limited to,
22 full power over all funds, assets, collateral, premises (whether owned, leased,
23 occupied, or otherwise controlled), choses in action, books, records, papers and
24 other property belonging to, being managed by or in the possession of or control of
25 the Receivership Entities. The Receiver shall continue to have access and control
26 over all monies and assets in all accounts at any bank, financial institution or
27 brokerage firm (including any futures commission merchant), all certificates of
28 deposit, and other funds or assets, held in the name of, for the benefit of, or over

which account authority is held for and including the Receivership Entities, but not limited to, the accounts set forth below:

<u>Bank Name</u>	<u>Account Name</u>	<u>Account No.</u>
Wells Fargo Bank, NA	Homestead Properties, L.P.	888-7914102
Wells Fargo Bank, NA	Homestead Properties, L.P.	285-8490341
Wells Fargo Bank, NA	Homestead Properties, L.P.	186-4318785
Wells Fargo Bank, NA	Homestead Properties, L.P.	293-4909595
Wells Fargo Bank, NA	Homestead Northland HMC, LLC	786-6608920
American Funds	Homestead Properties, L.P.	83017486
Charles Schwab	Homestead Properties, L.P.	2424-5834

The Receiver shall continue, until further order of this Court and its ultimate discharge by this Court, to have full powers, rights and obligations as set forth in prior Orders of this Court, including, the Temporary Restraining Order of November 16, 2009 (Dkt. No. 10), the Preliminary Injunction and Other Provisional Relief of December 18, 2009 (Dkt. No. 42), and the Amended Preliminary Injunction and Other Provisional Relief of May 4, 2010 (Dkt. No. 71).

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment and all orders and decrees which have been entered or may be entered herein, and to grant such other relief as the Court may deem necessary and just.

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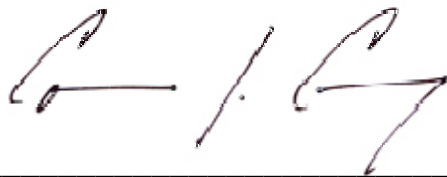
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1 **XIII.**

2 There being no just reason for delay, pursuant to Rule 54(b) of the Federal
3 Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment
4 forthwith and without further notice.

5 **IT IS SO ORDERED.**

6 DATED: May 5, 2011

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The Honorable Cormac J. Carney
10 UNITED STATES DISTRICT JUDGE

11 Presented by:

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Gregory C. Glynn, Esq.
14 Attorney for Plaintiff
15 Securities and Exchange Commission
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